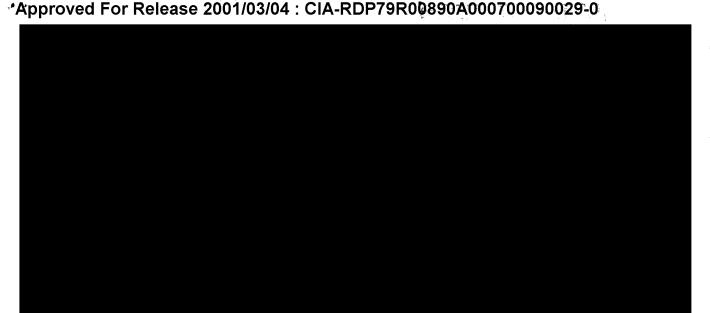
SPAIN'S RELATIONS WITH THE USSR

- This week, after some 20 years of residence in the USSR, some 500 Spanish civilians will sail from Odessa homeward-bound. These are the first of some 5,000 Spanish refugee children, now grown to adulthood, who had been evacuated to the USSR during the Spanish Civil War.
 - A. Another 1,000 Spanish refugees have also been granted exitpermits by the USSR and are expected to follow soon.
 - B. News of this movement has added substance to rumors, current during the past year, that Spain and the USSR may resume diplomatic relations.
- II. These rumors have consistently stated that General Franco has set two conditions which the USSR would have to meet before any discussion of renewed diplomatic relations.
 - A. The first of these preconditions is return of the gold bullion, valued by the Spanish at some \$500 million, which the Republican government shipped to the USSR during the Civil War.
 - B. The second is repatriation of the handful of Spanish "Blue Division" prisoners (perhaps 70) still believed to be in Soviet hands.

111. 25X1C 25X1C	Last week, however, we were inform	med that the Spanish
	had received	"two or three calls in recent
	months**	to discuss the establishment
	of diplomatic relations.	NO CHANGE IN CLASS COLORS CHANGED TO: TS S G 1010
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- IV. In point of fact, Soviet scientists have attended a number of meetings convened in Spain this year, so that this "straw", at least, is of little value as an indication of Soviet intent.
 - A. Thus far, we have no indications that either of Franco's reported preconditions--return of the gold and the Blue Division remnants--are about to be met by the USSR.
 - B. We therefore feel that it will be a fair time in the future before Spain and the USSR actually resume formal diplomatic relations.
 - C. Further, when and if such relations are resumed, we do not believe that Spain's relations with the US or the Spanish Government's anti-Communist policy will be Affected.

